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ABSTRACT

The monetary system in the U.S. colonies was notable because it was based on thin air. The earliest forms of U.S. money were commodities, items that were not just tokens of wealth but had some intrinsic value. In addition to adopting the Indians' use of wampum and furs, the colonists used crops and European-made items such as nails. In 1775, the Continental Congress issued the colonies' first uniform currency, the bills that came to be called "Continental." The colonies, soon to call themselves states, issued their own bills. Like the Continentals, this money served to finance and to promote the Revolutionary War. This booklet from the Smithsonian contains two lesson plans on the money of the period. Lesson (1) "Money Talks," students move from fact finding to interpretations as they examine paper money from the time of the Revolutionary War; and Lesson (2) "Pictures Telling Stories," shows not only the importance of primary sources in the study of U.S. history but also the limitations of relying only on primary sources of taking the money on face value. Both lessons address materials and preparation and provides a step-by-step procedure for classroom implementation. Contains photos of the paper money and a glossary of Latin inscriptions. (BT)

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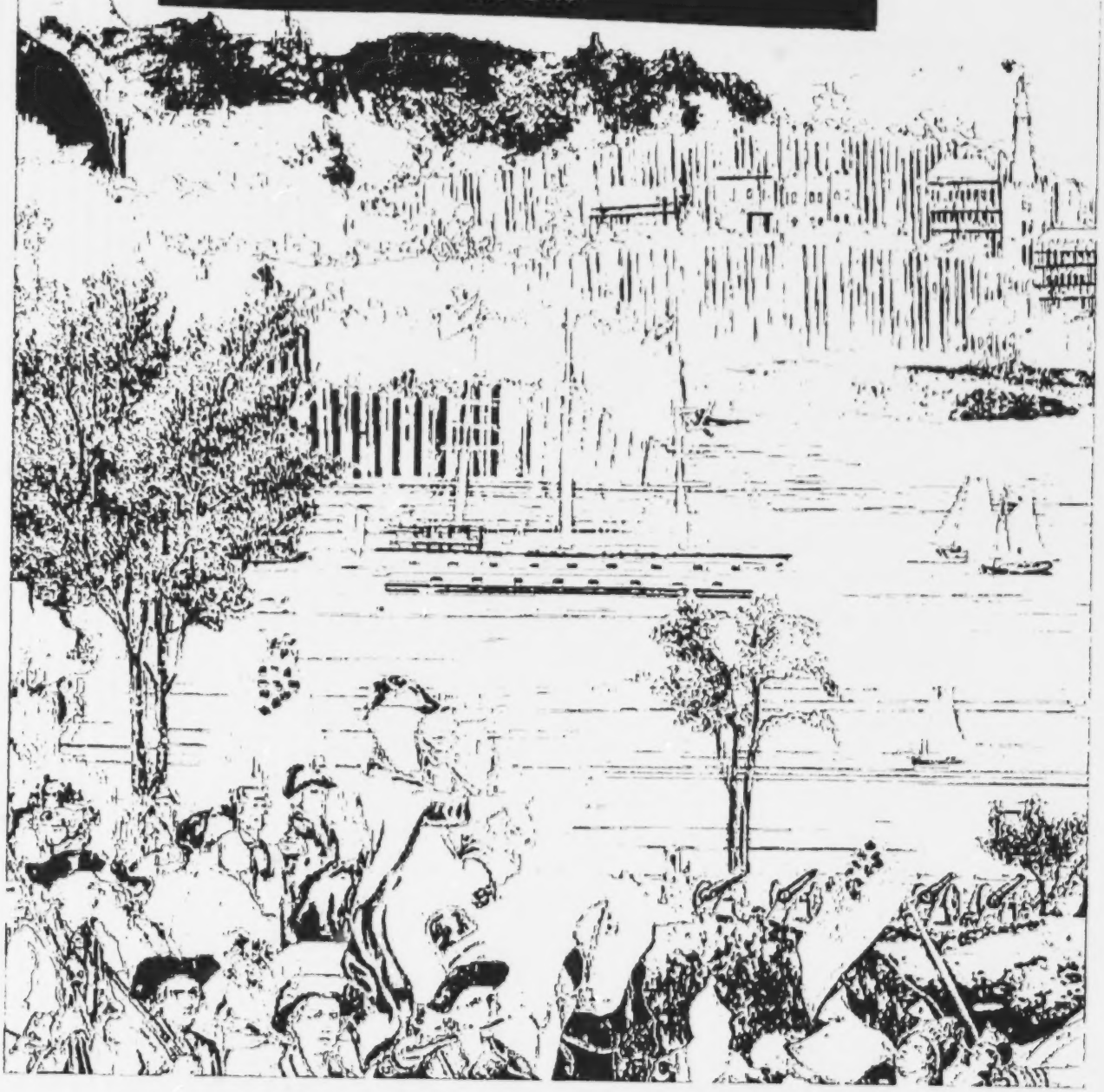
REVOLUTIONARY MONEY

Part One



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Unlike the Spanish colonists to the south, the English settlers of our original thirteen colonies found no gold or silver among the riches of their new land. Neither did they receive great supplies of gold and silver coins from Britain—money was supposed to move the other way, to the mother country, in exchange for goods. The monetary system in the colonies was "notable because it was based on thin air," says Smithsonian numismatics curator Richard Doty in his book *America's Money, America's Story.* To make up for the lack of currency, the colonists would "replicate and create, try, reject, and redesign every monetary form ever invented anywhere else."

Examples of most of those forms are on display in the Hall of the History of Money and Medals at the Smithsonian's National Museum of American History, Behring Center, an exhibit that draws on the 1.6 million coins and pieces of paper money in the National Numismatic Collection. Here in *Smithsonian in Your Classroom,* we present images of paper money from the American Revolution. Students examine the money in order to gather primary source information about the times—the Revolutionary period in general and the specific times when the bills were issued.

The lessons address national standards for American history and for historical thinking. An issue of *Smithsonian in Your Classroom* titled "What Is Currency? Lessons from Historic Africa" introduces students to the meaning and uses of money, and might serve as a companion to this issue. It is on our Web site, **educate.si.edu,** under Lesson Plans.

IMPROVISED MONEY

America's earliest forms of money were commodities, items that were not just tokens of wealth but had some intrinsic value. American Indians used strings of decorative shells, or "wampum," and furs as means of exchange. The cash-strapped colonists adopted this economic system. In addition to wampum and furs, they used crops and European-made items such as nails.

Small quantities of gold and silver Spanish American coins came to British America through trading in the Caribbean. The most common of these were silver eight-reales pieces, the "pieces of eight" that parrots squawk about in pirate stories. They were also known as Spanish dollars. The term *dollar,* of German origin, was applied to coins of any country that carried the intrinsic value of their weight in silver. Even before the Revolutionary War, some colonies issued paper money based on dollars rather than British pounds sterling.

Paper money first appeared in America in 1690, when the Massachusetts Bay Colony issued bills to pay soliders engaged in campaigns against the French in Canada. This was an emergency measure, but it turned out to be a solution to the long-term problem of building an economy without large reserves of precious metals. Eventually, all of the other colonies issued their own bills.

This money never had a uniform value. A pound note from one colony might not be worth a pound in another colony. For that matter, it might not be worth a pound anywhere—some colonies printed far more paper money than they could ever redeem.

Further weakening the system was the circulation of counterfeit bills. Anyone with a printing press could make fair copies of most colonial money; government printers tried to stay a step ahead by creating designs of greater and greater detail for the borders of the bills. Another security measure was to "indent" the money—to cut a stub from the bill in an irregular, wavy line. The indented bill could be redeemed for coins at a government office if it fit the stub bearing the same number. The problem with this, of course, was that the bill had to remain in perfect condition to fit perfectly.

The most imaginative anticounterfeiting ideas came from the Philadelphia printer Benjamin Franklin, whose firm manufactured paper money for Pennsylvania, New Jersey, and Delaware. In 1739, he began printing bills on which he deliberately misspelled Pennsylvania. A counterfeiter, Franklin figured, would correct the spelling on the assumption that the bills were themselves fakes, produced by a less literate criminal.

The back of each of the bills featured an image of a leaf. Franklin worked with blocky lead printer's type, but the leaves, with their traceries of veins, had the fine detail of copper engravings. These "nature prints" succeeded in baffling counterfeiters, and everyone else as well. It wasn't until the 1960s that a historian discovered the secret: Franklin had made lead casts of actual leaves.

Franklin, our national symbol of thrift, was a strong advocate of paper money, which to some represented economic irresponsibility. He argued to the English Board of Trade that the colonial economy could not survive on coins alone. But the dramatic fluctuations in the value of colonial currency—not to mention the confusion caused by all the

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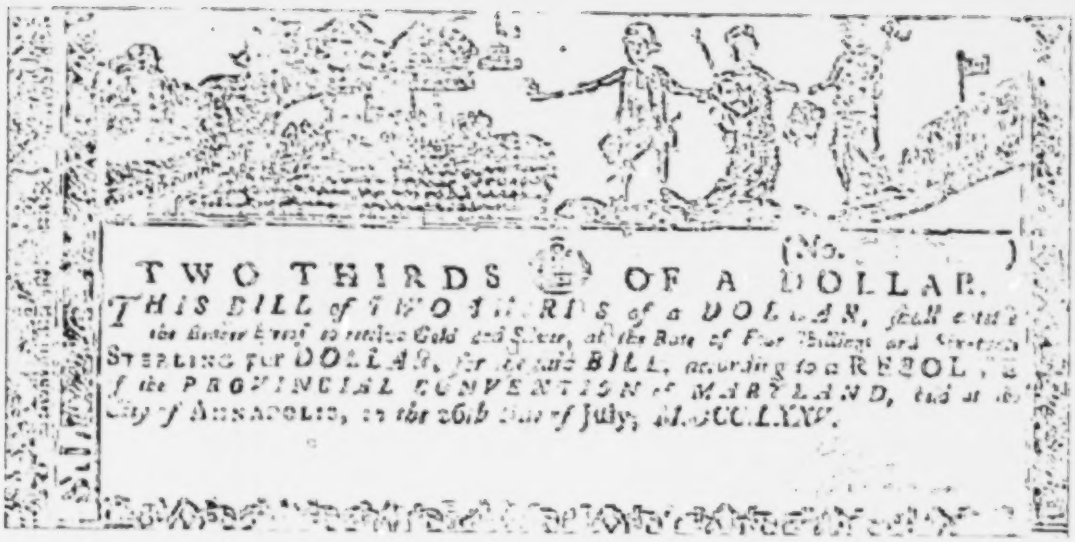
(No.
TWO THIRDS OF A DOLLAR.
THIS BILL of TWO THIRDS of a DOLLAR,
STERLING for DOLLARS, for the said BILL, according to a REBOL
of the PROVINCIAL CONVENTION of MARYLAND, held at the
City of ANNAPOLIS, on the 26th Day of July, M.DCC.LXXV.

Maryland, July 26, 1775, front and back

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different notes—worked against the interests of British merchants. In 1764, Parliament passed the Currency Act, which prohibited any further issue of American paper money. Like the Stamp Act the following year, this attempt to impose control over the colonies succeeded only in uniting them in protest.

MONEY AS MESSAGE

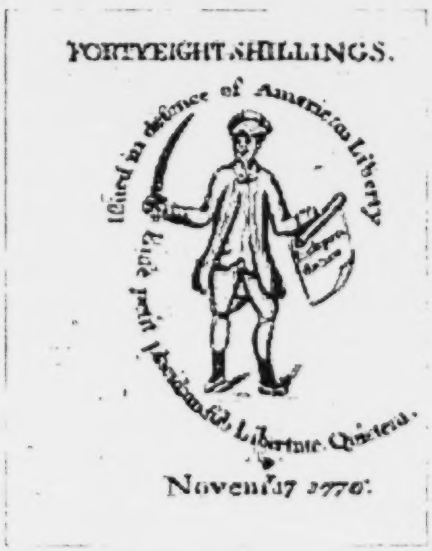
In 1775, the Continental Congress issued the colonies' first uniform currency, the bills that came to be called "Continentals." On a Continental designed by Benjamin Franklin (page 11), there is a depiction of the thirteen colonies as linked rings, which form a circle around the inscription WE ARE ONE. On the other side, Franklin offered a bit of Poor Richard–like advice: MIND YOUR BUSINESS.

The colonies, soon to call themselves states, issued their own bills. Like the Continentals, this money served both to finance and to promote the war effort. Some of the bills could be read like political broadsides.

On the front of the 1775 Maryland note on the facing page, King George III (the figure closest to the center) is trampling the Magna Charta, a symbol of ancient English freedoms, as he personally sets fire to an American city. To George's left, the allegorical figure Britannia receives a petition from an allegorical America, who leads an advancing army of patriots. America tramples a scroll labeled SLAVERY.

For all of the stridency of this message, the reverse side shows Britannia and America holding an olive branch between them. The inscription, PAX TRIUMPHIS POTIOR, means "Peace is preferable to victory."

Massachusetts, December 7, 1775



Massachusetts, November 17, 1776

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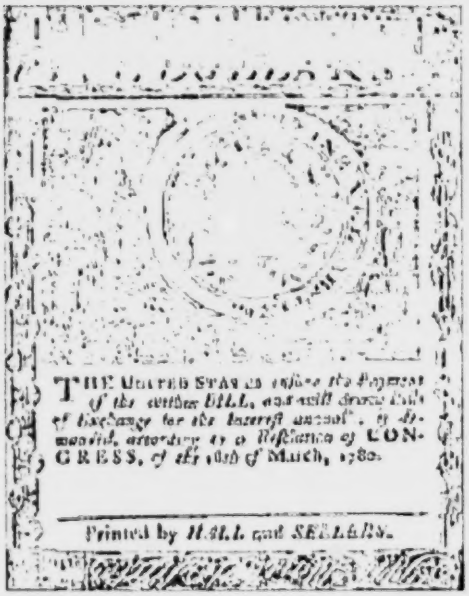
The note was issued a few weeks after the Continental Congress signed two rather divergent documents: the so-called Olive Branch Petition, an elaborately polite appeal to the king for peace, and the Declaration of the Causes and Necessity of Taking Up Arms, which stated that the colonists did not have "designs of separating from Great-Britain, and establishing independent states," but would nevertheless "die free men rather than live as slaves."

The Magna Charta also appears on one of the two Paul Revere–designed Massachusetts bills on page 7. On the 1775 bill, the patriot is armed with the sacred symbol as well as the sword. The American cause, then, is in keeping with English tradition. On the 1776 note, there is one big difference: MAGNA CHARTA is replaced by the pledge INDEPENDENCE.

BUYING TIME

Prices soared as more and more of the paper money went into circulation. Toward the end of the war, a pair of shoes in Virginia cost five thousand dollars in state bills; a suit of clothes cost as much as a million. An expression of the time, "A wagonload of Continentals will hardly purchase a wagonload of provisions," has been ascribed to George Washington. Part of the reason that Washington's men were so poorly provisioned at Valley Forge was that merchants in the area only did business with British troops, who could pay in coin.

In 1780, the American government began to lay the groundwork for a new economy. With money borrowed from France and Spain, Congress was able to redeem Continentals at the rate of forty dollars in bills to one dollar in coin. The bills were then destroyed.


THE UNITED STATES ... CONGRESS, ... Printed by ...

New Hampshire, April 29, 1780, back. This illustration first appeared on a Continental in 1775. Benjamin Franklin wrote an interpretation of it in the *Pennsylvania Gazette*: "The bush I suppose to mean America, the bleeding hand Britain. Would to God that bleeding were stopt, the wounds of that hand healed, and its future operations directed by wisdom and equity; so shall the hawthorn flourish, and form an hedge around it, annoying with her thorns only its invading enemies."

The wartime money turned out to be worthless to the new nation, but it was instrumental in the achievement of nationhood. And, like so much else about the American Revolution, it was something new to the world.

"If the history of commercial banking belongs to the Italians and of central banking to the British," wrote economist John Kenneth Galbraith, "that of paper money issued by a government belongs indubitably to the Americans." •

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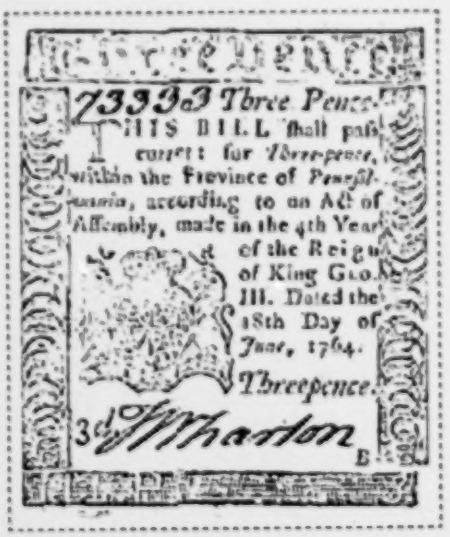
MIffPELLINGS

For an exercise in close reading, give students clipped-out copies of these three notes, which Benjamin Franklin printed for the colony of Pennsylvania in 1764. Ask the students to search for the differences in the text of the notes. When they discover the key difference—the misspellings of Pennsylvania—explain that Franklin did this deliberately, to set a trap for counterfeiters.

If students read the "s" in Pennsylvania as "f" and take this as a misspelling as well, explain that the letter is in an antiquated form called "long s" or "leading s." This might prevent any "f" and "s" confusion in the upcoming lesson.



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LESSON PLAN 1

Money Talks

In this lesson, students move from fact finding to interpretation as they examine paper money from the time of the American Revolution. The more they know about the period, the more significance they will see in the money. If they know that the war began in 1775, for instance, they may find it remarkable that the 1776 Pennsylvania and New Jersey bills honor King George III. (They also bear the British royal coat-of-arms.)

You might use the bills along with other primary sources—documents such as the Olive Branch Petition, perhaps—to help students understand that the campaign for independence did not follow as an immediate echo of the shots fired at Lexington and Concord.

MATERIALS

Photocopies of pages 14–22 or printouts from **educate.si.edu**

PREPARATION

Make enough copies of the Worksheet on page 14 and the Conclusion Chart on page 15 to distribute one of each to everyone in the class.

Make enough copies of the thirteen bills on pages 16–22 to distribute one bill to each student. (There might be two Delawares, three Georgias, etc.) Clip out the images so that you have a pile of this "money."

Make one more set of copies of the bills on pages 16–22 and display these intact pages on the board or a wall of the classroom. Students will view all thirteen bills on a "gallery walk." The gallery might also include a copy of the Continental on page 11.

Step One

Ask students what they expect to find on money from the Revolutionary War. Encourage them to think of features on our own money: dates, pictures, denominations, serial numbers, etc.

Now ask what they expect to learn from the historical money. List their ideas on the board.

Step Two

Distribute the clipped-out bills and copies of the Worksheet on page 14. Tell students to examine their bills closely before attempting to answer the questions.

Step Three

Have students with the same bill get together to discuss their worksheet answers, then have each of these groups report on their discussion to the class.

Step Four

Conduct the gallery walk so that the students can examine all of the notes.

Step Five

Hand out copies of the Conclusion Chart on page 15 in preparation for a class discussion of the cumulative information from all thirteen bills. Tell students that they will use the chart as a guide during the discussion.

Lead the class in the exercise of filling out the chart. Here are some possible entries for the Conclusion boxes:

- Every bill has a different kind of picture
- Some bills are from colonies and some are from states
- Some of money is familiar (dollars) and some is unfamiliar (pounds, shillings)

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For the supporting details, students will refer to their answers on the Worksheet. If practicable, allow them to get up and look again at the gallery during the discussion.

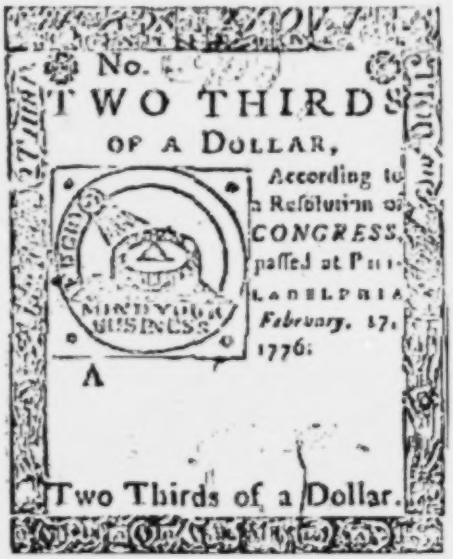
Step Six

Begin to focus the discussion on the issue dates of the bills. What can this chronology tell us about changes in America during the war? Do all of the "colony" bills have earlier dates than the "state" bills? Are all of the "dollar" bills earlier than those in British denominations?

The last "colony" bill in this collection has the issue date June 19, 1776. The first "state" bill is dated October 18, 1776. What happened in this space of time? The simplest answer is that the Continental Congress adopted the Declaration of Independence on July 4, 1776.

There is no clear break between the "dollar" bills and those in British denominations. Students will discover that the Maryland bill, the earliest here, is denominated in dollars. Maryland began to use the dollar as its official unit of currency in 1767, and so began to assert a kind of independence. But this bill is still tied to the British system: the bearer could redeem it for "bills of exchange payable in London, or gold and silver at the rate of four shillings and six-pence sterling."

On the latest bills in the collection, dollars are still reckoned in terms of shillings and pence. It was not until 1792 that the United States established a completely new currency system, replacing shillings with decimal fractions of the dollar. Thomas Jefferson coined the term for a coin he does not appear on: the "disme," for one-tenth of a dollar.



Continental, February 17, 1776, front and back

11

LESSON PLAN 2

Pictures Telling Stories

In the previous lesson, students probably had questions about the meanings of the illustrations on the bills. Here, the class uses secondary sources to discover those meanings.

The lesson shows not only the importance of primary sources in the study of history, but also the limitations of relying only on primary sources—of taking the money, as it were, at face value.

MATERIALS

Photocopies or printouts of one bill

PREPARATION

Look for a bill with a particularly interesting illustration. Make copies of the bill (or enlarged copies of the picture itself) for all the students. We suggest that you choose one of the following: Connecticut, Delaware, Maryland, New York, Rhode Island, or Virginia. The New York picture survives, in slightly different form, on the official seal of New York City. Elements of the other pictures appear on the official seals of the states.

Step One

Hand out the copies of the bill you have selected. As a class, try to decipher the picture, taking it one element at a time.

Step Two

Ask students for their ideas on where to go to learn more about the picture. If you choose one of the suggested bills, tell them that the picture is still on an official seal.

Step Three

Lead the students on an Internet or library search for information on the picture. If they don't discover it themselves, guide them to the Web site of the state. The sites of five suggested states contain explanations of official state symbols:

www.state.ct.us
www.state.de.us
www.state.md.us
www.state.ri.us
www.state.va.us

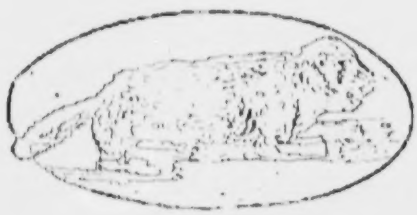
An explanation of the New York City seal is at **www.fotw.net/flags/us-nyc.html.**

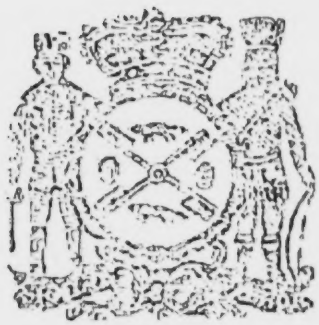
Step Four

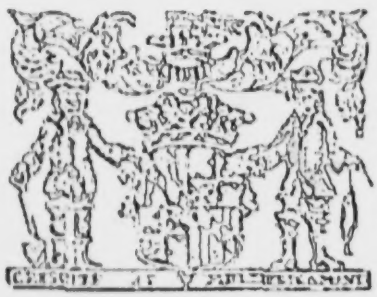
Now ask students to apply their findings to an examination of other illustrations. If you choose, say, the New York bill, they will learn that most of the elements of the picture have to do with the colony's industry. The four things that look a bit like toothbrushes turn out to be the sails of a windmill. The animals are beavers, symbols of the fur trade. The barrel-shaped objects are . . . well, barrels. More specifically, they are barrels of flour, symbols of the important flour-exporting business in New York City.

This knowledge might cast meaning upon the ox and the sheaf of wheat on the Delaware bill, the codfish on the Massachusetts and Rhode Island bill, and that furry animal on the North Carolina bill.

If you choose the Virginia bill, students will learn that the tyrant in *Sic semper tyrannus* (or, more grammatically, *tyrannis*) is Britain and that the conqueror is Liberty. You might then show them the political messages on the bills on pages 6-8.







13

WORKSHEET

1. Who issued this money?

2. When was it issued?

3. What is it worth?

4. What else do you notice?

5. What do these details tell you about this object?

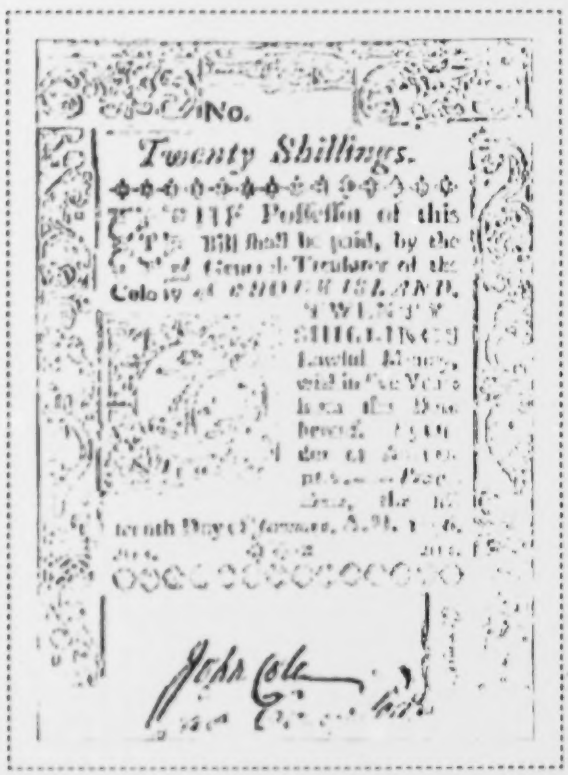
6. What questions do you still have?

THREE CONCLUSIONS DRAWN FROM THIRTEEN BILLS

CONCLUSION 1	CONCLUSION 2	CONCLUSION 3
Supporting details	Supporting details	Supporting details

NEW
YORK
ONE THIRD of a DOLLAR.
No.
THIS BILL shall pass current in all Payments in this Colony, for TWO SHILLINGS and EIGHT PENCE, (being equal to One Third of a Spanish Milled Dollar) or the Value thereof in Gold or Silver; according to the Resolution of the Provincial Congress of New-York, on the fifth Day of March,
2/3.
s. 8 d.

1 NEW YORK



2 RHODE ISLAND

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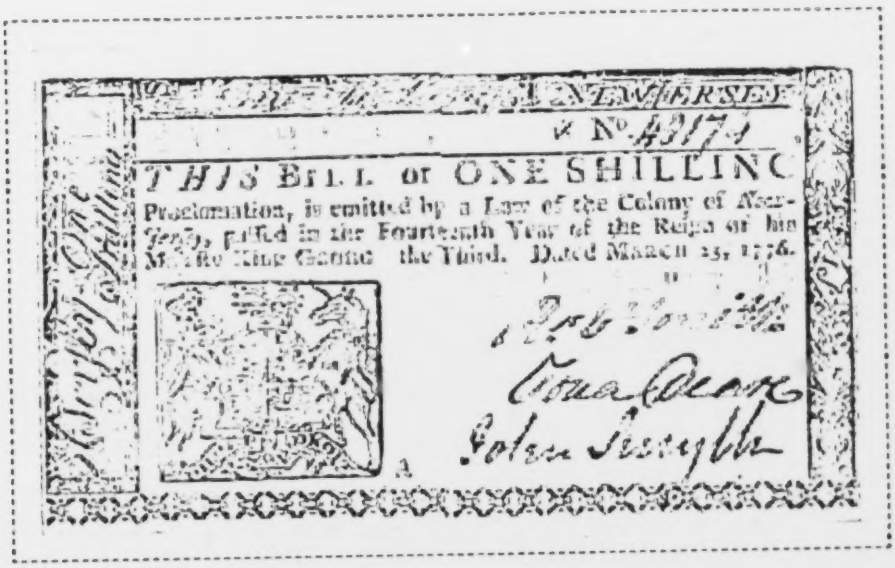
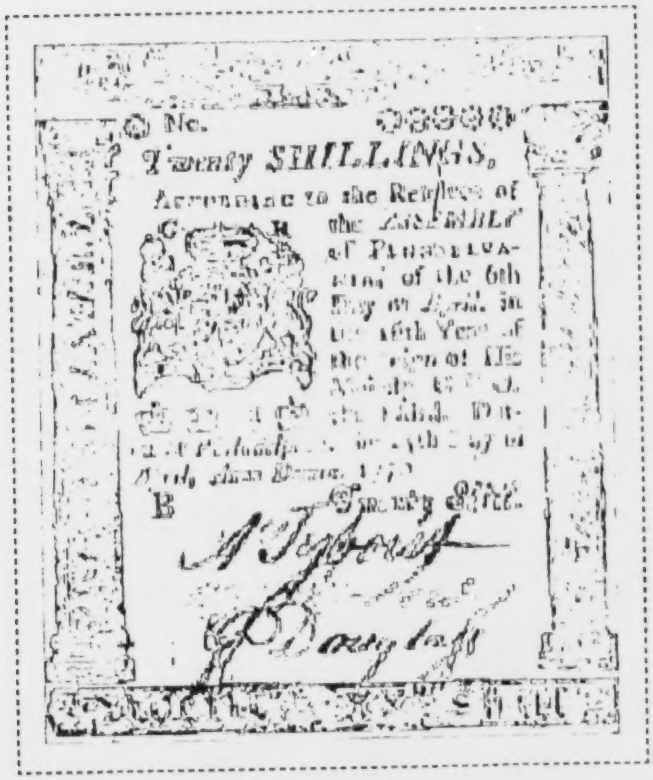

NEW-JERSEY
No. 43174
THIS BILL or ONE SHILLING
Proclamation, is emitted by a Law of the Colony of New-
Jersey, passed in the Fourteenth Year of the Reign of his
Majesty King George the Third. Dated March 25, 1774.
A

3. NEW JERSEY



4. PENNSYLVANIA

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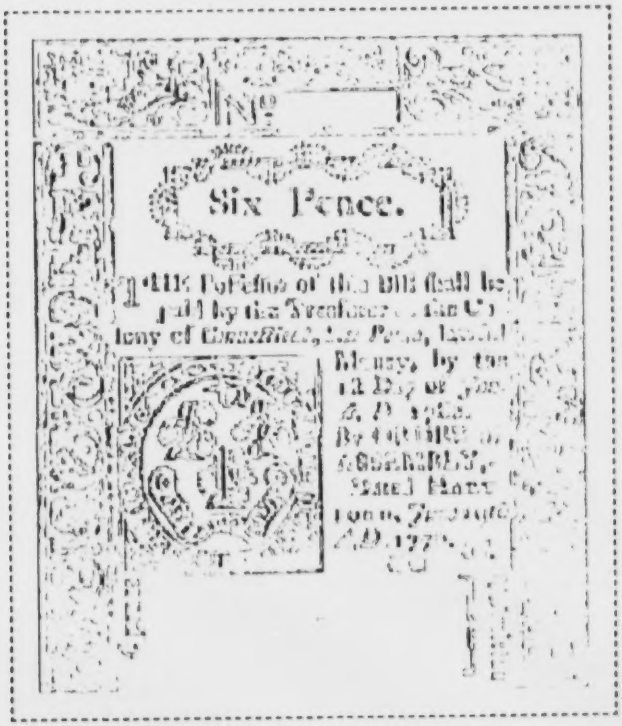
5. SOUTH CAROLINA



6. CONNECTICUT

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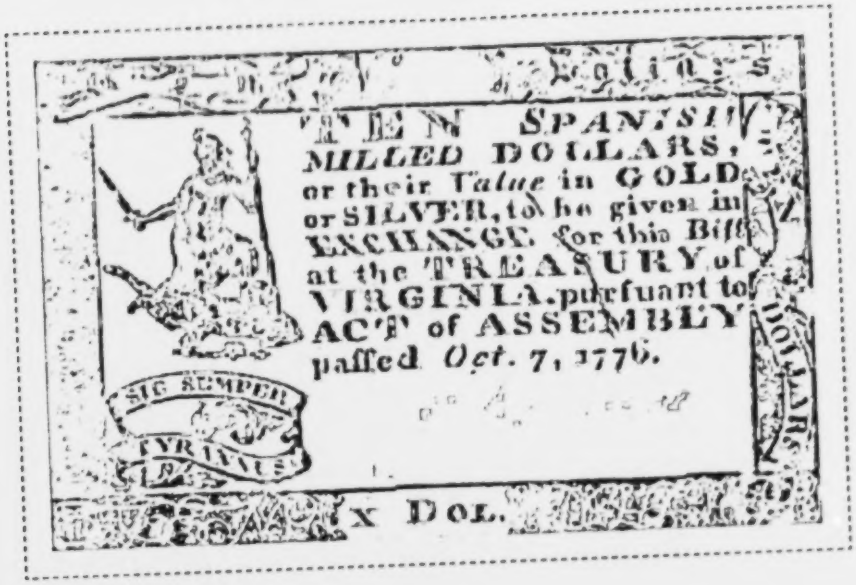

7. VIRGINIA

No.
NINE PENCE.
THIS Indented Bill shall pass current for Nine Pence, within the Delaware State, according to an Act of General Assembly of the said State, made in the Year of our Lord One Thousand Seven Hundred and Seventy-six. Dated the 1st. Day of May, 1777. 9d.
NINE PENCE

8. DELAWARE

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9. MARYLAND

10. NORTH CAROLINA

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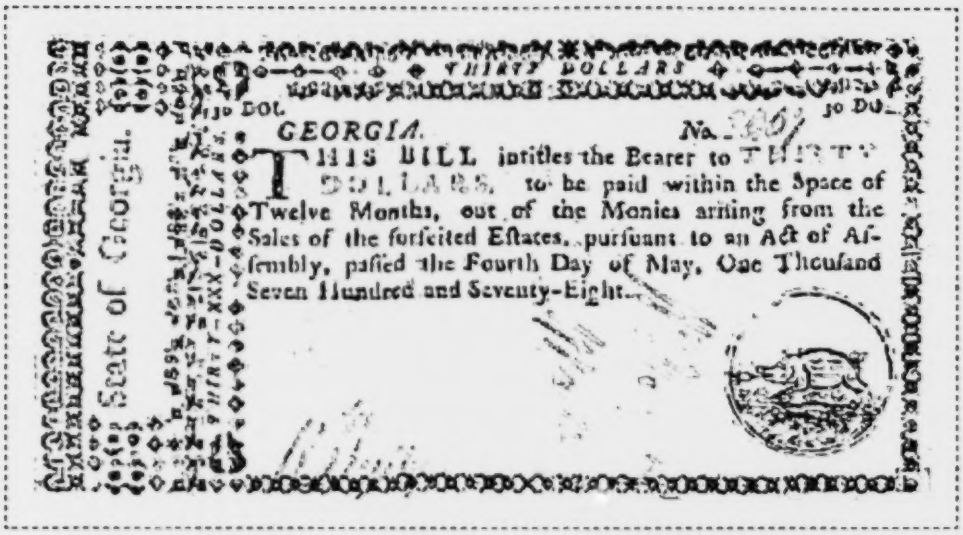
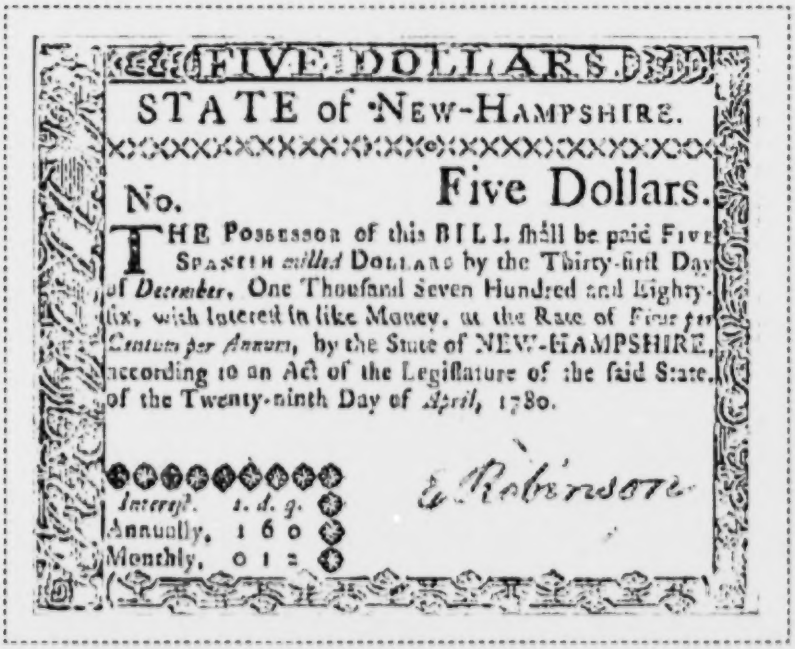

THIRTY DOLLARS
GEORGIA.
THIS BILL intitles the Bearer to
DOLLARS, to be paid within the Space of
Twelve Months, out of the Monies arising from the
Sales of the forfeited Eſtates, purſuant to an Act of Aſ-
ſembly, paſſed the Fourth Day of May, One Thouſand
Seven Hundred and Seventy-Eight.

11. GEORGIA


FIVE DOLLARS.
STATE of NEW-HAMPSHIRE.
No.
Five Dollars.
THE Poſſeſſor of this BILL ſhall be paid FIVE
SPANISH milled DOLLARS by the Thirty-firſt Day
of December, One Thouſand Seven Hundred and Eighty-
ſix, with Intereſt in like Money, at the Rate of Five per
Centum per Annum, by the State of NEW-HAMPSHIRE,
according to an Act of the Legiſlature of the ſaid State,
of the Twenty-ninth Day of April, 1780.
Intereſt. l. d. q.
Annually, 1 6 0
Monthly, 0 1 2

12. NEW HAMPSHIRE

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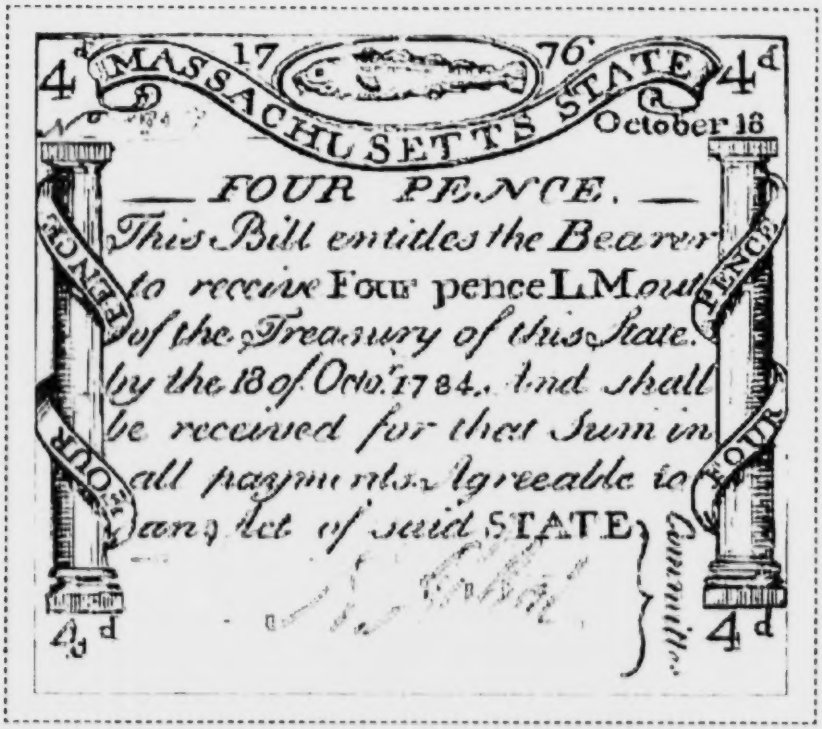

13 MASSACHUSETTS

GLOSSARY OF LATIN INSCRIPTIONS

CONNECTICUT	QUI TRA[NSULIT] SUS[TINET]: *He who transplanted still sustains* SIGILLUM COLONIAE CONNECTICENSIS: *Seal of the colony of Connecticut*
MARYLAND	ANNO DOMINI: *Year of our Lord* CRESCITE ET MULTIPLICAMINI: *Increase and multiply*
NEW HAMPSHIRE	SUSTINE VEL ABSTINE: *Sustain me or leave me alone*
NEW JERSEY AND PENNSYLVANIA (GREAT BRITAIN)	DIEU ET MON DROIT: *God and my right*
RHODE ISLAND	IN TE, DOMINE, SPERAMUS: *In thee, Lord, we find hope*
SOUTH CAROLINA	ARMIS CONCURRITE CAMPO: *With arms we run together into a field of battle*
VIRGINIA	SIC SEMPER TYRANNIS: *Thus always to tyrants*

RESOURCES

WEB SITES

American Numismatic Association
www.money.org
Images of historical money from around the world

Colonial Currency at Notre Dame
www.coins.nd.edu/ColCurrency
A comprehensive collection of images

Federal Reserve Bank of Minneapolis
minneapolisfed.org/econed/curric/pictures.cfm
A brief history of money and an examination of today's U.S. currency

History of Money from Ancient Times to the Present Day
www.ex.ac.uk/~RDavies/arian/11yfr
A chronology and essays based on a book of the same name by British economist Glyn Davies

Smithsonian Hall of the History of Money and Medals
www.americanhistory.si.edu/youmus/ex21mmed.htm
An introduction to the permanent exhibit in the National Museum of American History

Smithsonian National Numismatic Collection
www.americanhistory.si.edu/csr/cadnnc.htm
Includes virtual exhibits of coins and paper money

BOOKS FOR TEACHERS

Doty, Richard G. *America's Money, America's Story.* Iola, Wisc.: Krause Publications, 1998.

Galbraith, John Kenneth. *Money: Whence It Came, Where It Went.* Boston: Houghton Mifflin, 1975.

Weatherford, Jack. *The History of Money: From Sandstone to Cyberspace.* New York: Crown, 1997.

BOOKS FOR STUDENTS

Ages 4–8

Maestro, Betty C. *The Story of Money.* New York: Mulberry Books, 1995.

Ages 9–12

Cribb, Joe. *Eyewitness: Money.* New York: DK Publishing, 2000.

Parker, Nancy Winslow. *Money, Money, Money: The Meaning of the Art and Symbols on United States Paper Currency.* New York: HarperCollins Children's Books, 1995.

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Cover: Detail from *WASHINGTON'S HEAD-QUARTERS 1780. At Newburgh, on the Hudson* by an unknown artist, after 1876. Smithsonian American Art Museum, gift of Herbert Waide Hemphill, Jr. and museum purchase made possible by Ralph Cross Johnson

And speaking of Washington . . .

The Smithsonian's National Portrait Gallery offers a free George Washington education kit, which includes a 30-page Teacher Resources Guide and a full-color poster reproduction of the "Lansdowne" portrait of Washington by Gilbert Stuart. To order, call the toll-free number 1.866.NPG.KITS. To learn more about the kit and the National Portrait Gallery touring exhibition *George Washington: A National Treasure*, visit **www.georgewashington.si.edu.**

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